

Status of Resolution of Reported Frauds

December 2001

Agency: 540

Employment Security Department

Audit Number	Finding Number
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6253	1	Finding:	Public funds were misappropriated and travel vouchers were falsified at the Corrections Clearinghouse Unit.
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		Fraud Amount:	\$33,475
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		Recovery to Date:	\$0
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		Action/Status:	This fraud was discovered when the Department of Employment Security's (ESD's) Internal Auditor compared information from the employee's travel vouchers to other Department records documenting telephone and vehicle use, time worked, leave taken and other expenses incurred. The ESD notified the State Auditor's Office of the fraud.
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ESD has taken the following corrective action:

- ☞ Implemented operational procedures to effectively monitor its internal operations including separation of duties and strengthening supervisory review and oversight over budgetary, time reporting, telecommunication and travel functions.
- ☞ Trained Corrections Clearinghouse personnel on new procedures and on implementing and maintaining effective internal controls.

Criminal action taken: This case has been reviewed by the U.S. Department of Labor, Office of the Inspector General, and referred to federal officials for prosecution. The case is pending.

Personnel action taken: The employee retired.

Amount to be recovered: To be determined pending adjudication of criminal charges.

Agency Contact:	Victoria DeBoer, Internal Auditor Employment Security Department P.O. Box 9046 Olympia, WA 98504-9046 (360) 438-4854
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Status of Resolution of Reported Frauds

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Employment Security Department

Audit Number	Finding Number
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6253	2	Finding:	Public funds were misappropriated and travel vouchers were falsified in the General Aptitude Test Battery Program at the Corrections Clearinghouse Unit
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		Fraud Amount:	\$47,916
		Recovery to Date:	\$0

		Action/Status:	As a result of the investigation cited in the previous finding, the Department's Internal Audit unit initiated a complete review of travel expenditures determined to be similar in nature. The investigation revealed this additional misappropriation, which was also referred to the State Auditor's Office.
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ESD has taken the following corrective action:

- ☞ Implemented operational procedures to effectively monitor its internal operations including separation of duties and strengthening supervisory review and oversight over budgetary, time reporting, telecommunication and travel functions.
- ☞ Trained Corrections Clearinghouse personnel on new procedures and on implementing and maintaining effective internal controls.

Criminal action taken: This case has been reviewed by the U.S. Department of Labor, Office of the Inspector General, and referred to federal officials for prosecution. The case is pending.

Personnel action taken: The employee was dismissed.

Amount to be recovered: To be determined pending adjudication of criminal charges.

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